

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

HYUNDAI MOTOR FINANCE COMPANY,	)	
	)	
Plaintiff,	)	CIVIL ACTION NO.
	)	08-CIV-1262
v.	)	
	)	
FALCON MOTORS, INC., SAEID TEHRANI,	)	
ARIEL TEHRANI, EDMOND GEULA AND	)	
EXECUTIVE MOTORS, LTD.	)	
	)	
Defendants.	)	

**AFFIDAVIT OF DEFAULT**

STATE OF CALIFORNIA    )  
  )ss  
COUNTY OF ORANGE    )

Sam Frobe, being duly sworn, states as follows:

1.       I am the National Manager-Commercial Credit for Hyundai Motor Finance Company (“HMFC”), and I have personal knowledge of the matters referred to herein. If called upon, I could and would testify confidently to the facts set forth herein.

2.       Pursuant to the terms of the Stipulated Interim Order Regarding Motion For Prejudgment Order Of Seizure entered herein on February 15, 2008 (the “Stipulated Order”), Defendants were required to pay to HMFC, no later than 12:00 noon, Eastern Standard Time, February 21, 2008 the SOT Balance (as defined in the Stipulated Order).

3. Defendants have defaulted with regard to the terms of the Stipulated Order. As of 4:00 p.m. on April 2, 2008, Defendants have failed to make payment of the outstanding sales out of trust balance in the approximate amount of \$129,922.71.

4. In addition, Defendants have also defaulted with respect to the Stipulated Order by transferring vehicles subject to Plaintiff's security interest to third party dealerships. The Defendant was prohibited from disposing of any collateral other than to consumers in the ordinary course of business.

5. The Defendants have also violated the terms of the Stipulated Order by failing to cause the return of all vehicle inventory to the dealership premises within twenty-four (24) hours of the entry of this Order. The Defendants have refused to comply with this requirement.

6. Finally, Defendants were required to provide a commitment for financing sufficient to pay off all outstanding obligations of Defendant to Plaintiff no later than March 13, 2008. Defendants have failed to do so.

7. In view of the foregoing material defaults, and pursuant to the terms of the Stipulated Order, upon a default by Defendants, HMFC is entitled to file an Affidavit of Default herein and serve the same on Defendants and Defendants counsel by facsimile. A certificate of service is attached hereto.

8. Upon filing of this Affidavit of Default and proper service of the same upon Defendants, HMFC is entitled, and intends to, take immediate possession of the Dealership Premises for purposes of assembling and protecting the Collateral until such time as it can reasonably arrange to remove the Collateral from the Dealership Premises.

9. The above and foregoing is true to the best of my knowledge, information and belief.

/s/ Sam Frobe  
Sam Frobe  
National Manager-Commercial Credit  
Hyundai Motor Finance Company.

State of California        }  
                                     }  
County of Orange         }

Subscribed and sworn to (affirmed) before me on this 2<sup>nd</sup> day of April, 2008 by  
Sam Frobe, proved to me on the basis of satisfactory evidence to be the person who appeared  
before me.

/s/ Keri T. Erkenbrack  
KERI T. ERKENBRACK  
Commission #1678567  
Notary Public – California  
Orange County  
My Comm. Expires Jul 26, 2010

